



Michigan Department of State
Bureau of Elections
www.michigan.gov/sos

POLITICAL PARTY COMMITTEE

MANUAL

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INTRODUCTION

Michigan's Campaign Finance Act, P.A. 388 of 1976, as amended, promotes the public disclosure of political contributions and expenditures. The Secretary of State and the county clerks seek disclosure through voluntary compliance with the requirements of the Act. This manual explains the obligations state central, congressional district and county political party organizations must meet under the Act.

If you have questions, do not hesitate to seek assistance from the Department of State's Bureau of Elections in Lansing. Possible violations can be avoided with early advice and use of instructional materials provided by the Department. When seeking specific legal advice, always rely on the Act and the Rules promulgated to administer the Act.

Contact us at:

Michigan Department of State
Bureau of Elections
P.O. Box 20126
Lansing, Michigan 48910-0726
Phone: (517) 373 2540
Fax: (517) 241-4785

Visit us at:

4th Floor, Mutual Building
208 North Capitol Avenue
Lansing Michigan 48918

www.michigan.gov/sos/

STATEMENT OF ORGANIZATION

POLITICAL PARTY ORGANIZATIONS COVERED BY THE CAMPAIGN FINANCE ACT

The Campaign Finance Act covers a state level, congressional district level or county level political party organization as soon as it receives or spends \$500.00 or more in a calendar year to influence voters for or against the nomination or election of one or more candidates in Michigan or the qualification, passage or defeat of one or more ballot questions in Michigan.

- A political party organization covered by the Act must form a Political Party Committee and file a **Statement of Organization** to register the committee in the disclosure system.
- After the committee is registered, it must file Campaign Statements to disclose the committee's campaign finance activity in Michigan elections.
- "Election" means a primary, general, special, millage election or recall vote held in this state or a convention or caucus of a political party held in this state to nominate a candidate.

The Michigan Campaign Finance Act provides for a political party to have one State Central Political Party Committee, one Congressional District Political Party Committee in each congressional district and one County Political Party Committee in each county. An organization that is not the official state level organization designated congressional district organization or county level organization of a political party is not permitted to register as a Political Party Committee under the Act.

REGISTERING THE COMMITTEE

A political party organization must register as a committee within 10 calendar days after it receives or spends \$500.00 or more in a calendar year to influence voters. To register, the committee files a Statement of Organization with the Department of State's Bureau of Elections in Lansing. Statement of Organization forms may be obtained from the Bureau of Elections or from the Secretary of State's website on the Internet.

The Statement of Organization form lists the type of Political Party Committee that has been formed, the committee's mailing and street addresses, the committee treasurer's name and address, the name and address of the person responsible for the committee's records and filings (designated record keeper) if these responsibilities will be handled by someone other than the treasurer, the depository where committee funds will be kept, and other related information. The treasurer signs the Statement of Organization.

The information on the Statement of Organization must be kept up-to-date. If information listed on the form changes, an amendment to the form must be filed no later than the due date of the next Campaign Statement required after the change. The treasurer serving at the time of the change must sign the amended Statement of Organization.

WHERE TO FILE

Political Party Committees file all Campaign Finance statements and reports with the:

Michigan Department of State
Bureau of Elections
P.O. Box 20126
Lansing, Michigan 48901-0726

Office location: 4th Floor Mutual Building
208 North Capitol Avenue
Lansing, Michigan 48933
Phone (517) 373-2540

CAMPAIGN FINANCE DISCLOSURE REQUIREMENTS

CAMPAIGN STATEMENTS

A Political Party Committee discloses its campaign finance activity on Campaign Statements. A Campaign Statement consists of a cover page and a series of schedules that itemize the committee's receipts, expenditures and debts. Campaign Statement forms and instructions may be obtained from the Department of State's Bureau of Elections or from the Secretary of State's website on the Internet. Certain committees beginning in 2004 will be required to file their Campaign Statements electronically with the Bureau of Elections. See Appendix D for more information on this requirement.

Campaign Statement Coverage Dates

Campaign Statements have specific coverage periods. The first Campaign Statement filed by a committee "opens" on the day the committee formed and extends through the "closing date" of the Statement that is due. Subsequent Campaign Statements "open" on the day after the last day covered by the previous statement filed by the committee and extend through the "closing date" of the Statement that is due. As the Campaign Statement that is due picks up where the last Campaign Statement left off, an Annual Campaign Statement may not cover the entire year *unless* the committee did not file any Campaign Statements during the previous year

When Campaign Statements are Required

An "election" is defined as a primary, general, special, or millage election or recall vote held in Michigan, or a convention or caucus of a political party held to nominate a candidate. The Primary and General are separate elections. Pre-Election, Post Election and Annual Campaign Statements have closing dates, due dates and coverage periods as detailed as follows:

Type of Statement	Closing Date of Statement	Statement Due Date
Pre-Election Campaign Statement	16 days before election	11 days before election
Post Election Campaign Statement	20 days after election	30 days after election
Annual Campaign Statement	December 31	January 31
Pre-Convention Campaign Statement	16 days before 1 st day of convention	11 days before 1 st day of convention
Post-Convention Campaign Statement	20 days after last day of convention	30 days after last day of convention

A Political Party Committee that does not maintain a Reporting Waiver is required to file a Pre-and/or Post Campaign Statement if the committee participates in the election by making an expenditure to support or oppose the nomination or election of a candidate whose name appears on the ballot for that election or is a write-in candidate in that election; by making an expenditure to support or oppose the qualification, passage or defeat of a ballot question that appears on that ballot; or by making an

expenditure for get-out-the-vote activity related to that election. The examples below are offered as clarification in determining when a Political Party Committee may be required to file a Campaign Statement.

EXAMPLE

A City General Election is scheduled for April 2, 2001. The close of books for the Pre-Election Campaign Statement is March 17 with a due date of March 22, 2001. The close of books for the Post-General Campaign Statement is April 22 with a due date of May 2, 2001.

A School Election is scheduled for June 11, 2001. The close of books for the Pre-School Campaign Statement is May 26 with a due date of May 31, 2001. The close of books for the Post-School Campaign Statement is July 1 with a due date of July 11, 2001.

The previous Campaign Statement filed by the Political Party Committee was the 2001 Annual Campaign Statement that had a closing date of December 31, 2000.

Scenario #1

On March 10, a Political Party Committee makes an expenditure as a direct contribution to the Candidate Committee of a candidate whose name appears on the ballot in the April 2 City General Election. On March 15, the committee makes an expenditure for the printing of a flyer in opposition to a candidate whose name appears on the ballot in the June 11 School Election. These are the only expenditures the committee makes during the year. As a result of this activity the committee is required to file the following Campaign Statements:

- Pre-General Campaign Statement, due on March 22, 2001. The committee reports both of the expenditures on the Pre-General Campaign Statement as they were both made during the coverage period for the Pre-General Statement (January 1, 2001 through March 17, 2001). The committee also reports all funds received into the political account during this period. The Post-General, Pre-School and Post-School Campaign Statements are not required as they would not show any additional expenditures relating to either election.
- 2002 Annual Campaign Statement, due on January 31, 2002, covering the period from March 18, 2001 through December 31, 2001. This report will show zero expenditures but will include all funds received during the coverage period.

Scenario #2

In this scenario the activity is the same except that the expenditure related to the City General Election is not made until March 27, 2001. Because of the timing of this expenditure, the Political Party Committee does not owe the Pre-General Campaign Statement as it has a closing date of March 17. Instead, the committee will file the following Campaign Statements:

- Post-General Campaign Statement, due on May 2, 2001. The Post-General Campaign Statement covers the period from January 1, 2001 through April 22, 2001 and would include both the March 27 expenditure related to the City General Election and the March 15 expenditure related to the School Election as they occurred during this period. The committee also reports all funds received into the political account during this period. The Pre-School and Post-School

Campaign Statements are not required as they would not show any additional expenditures relating to the School Election.

- 2002 Annual Campaign Statement, due on January 31, 2002. This Statement will cover the period from April 23, 2001 through December 31, 2001. This report will show zero expenditures but will include all funds received during the coverage period.

Scenario #3

In scenario #3, expenditures related to the City General Election are made on March 10 and April 20. Expenditures related to the School Election are made on May 18 and June 1. The Political Party Committee will file the following Campaign Statements.

- Pre-Election Campaign Statement, due on March 22. The Committee will report the March 10 expenditure on this statement as the coverage period is from January 1 through March 17. The committee also reports all funds received into the political account during this period.
- Post-Election Campaign Statement, due on May 2. The Committee will report the April 20 expenditure on this statement as the coverage period is from March 18 through April 22. The committee also reports all funds received into the political account during this period.
- Pre-School Campaign Statement, due on May 31. The Committee will report the May 18 expenditure on this statement as the coverage period is from April 23 through May 26. The committee also reports all funds received into the political account during this period.
- Post-School Campaign Statement, due on July 11. The Committee will report the June 1 expenditure on this statement as the coverage period is from May 27 through July 1. The committee also reports all funds received into the political account during this period.
- 2002 Annual Campaign Statement, due on January 31, 2002. This statement will cover the period from July 2, 2001 through December 31, 2001. This report will show zero expenditures but will include all funds received during the coverage period.

EXAMPLE

On December 19, 2001, a Political Party Committee makes an expenditure to support a candidate whose name will appear on the ballot in the Village Primary Election scheduled for February of the following year. This is the only expenditure the committee makes with respect to the village Primary. The committee reports the expenditure and all funds received during the period since the closing date of their previous statement on the Annual Campaign Statement due on January 31. After filing the Annual Campaign Statement, the committee is not required to file the Pre-Primary or Post-Primary Campaign Statements for the Village Primary Election as there are no additional expenditures to report.

Annual Campaign Statement Filing Exemption

A Political Party Committee that files a Post-General Campaign Statement due between December 1 and January 30 is not required to file the Annual Campaign Statement that is due on January 31 immediately following the Post-General. However, the committee would be required to file the Annual Campaign Statement that will be due on January 31 of subsequent years which cannot be waived.

LATE FILING FEES

The Late Filing Fee Chart on the following page is designed to inform the Political Party Committee of the late filing fees that may be assessed for the late filing of Campaign Statements and reports required to be filed pursuant to the Michigan Campaign Finance Act.

Statement Of Organization Late Filing Fees (All Committees) Section 24(1)

The late filing fee for a late-filed original Statement of Organization is \$10.00 per business day not to exceed \$300.00.

Late Contribution Report Late Filing Fees (All Committees) Section 32(4)

A committee, candidate, treasurer or designated record keeper who fails to report a late contribution as required by Section 32(1) shall pay a late filing fee that shall not exceed \$2,000.00, determined as follows:

- (a) \$25.00 for each business day the report remains un-filed.
- (b) An additional \$25.00 for each business day after the first 3 business days the report remains un-filed.
- (c) An additional \$50.00 for each business day after the first 10 business days the report remains un-filed.

The filing official must assess a **\$25.00** late filing fee **for the first 3 business days** that a statement remains un-filed; a **\$50.00** (\$25.00 + \$25.00) late filing fee **for the 4th through the 10th business days** that the statement remains un-filed; and a **\$100.00** (\$25.00 + \$25.00 + \$50.00) late filing fee **for the 11th through 26th business days** that a statement remains un-filed. The \$2,000.00 maximum late filing fee will have been reached at that point.

Pre-Election Or Post-Election Campaign Statement Late Filing Fees (All Committees) Section 33(7)

- If the committee has raised **\$10,000.00 or less** during the previous 2 years, the late filing fee shall be \$25.00 for each business day the statement remains un-filed, but not to exceed \$500.00.
- If the committee has raised **more than \$10,000.00** during the previous 2 years, the late filing fee shall not exceed \$1,000.00, determined as follows:
 - (a) Twenty-five dollars for each business day the report remains un-filed.
 - (b) An additional \$25.00 for each business day after the first 3 business days the report remains un-filed.
 - (c) An additional \$50.00 for each business day after the first 10 business days the report remains un-filed.

The filing official must assess a **\$25.00** late filing fee **for the first 3 business days** that a statement remains un-filed; a **\$50.00** (\$25.00 + \$25.00) late filing fee **for the 4th through the 10th business days** that the statement remains un-filed; and a **\$100.00** (\$25.00 + \$25.00 + \$50.00) late filing fee **for the 11th through 16th business days** that a statement remains un-filed. The \$1,000.00 maximum late filing fee will have been reached at that point.

Annual Campaign Statement Late Filing Fees (All Committees) Section 35(3)

A committee, treasurer, or designated record keeper filing for a Political Party Committee who fails to file a required Annual Campaign statement shall pay a late filing fee of \$25.00 for each business day the statement remains un-filed. The late filing fee shall not exceed \$500.00.

BUS. DAY	ALL SofO'S	ALL LATE CONTRIB. REPORTS	ALL ANNUALS	ALL PRE OR POST REPORTS \$10,000.00 OR LESS (RECEIPTS)	ALL PRE OR POST REPORTS More than \$10,000.00 (RECEIPTS)
1	\$10.00	\$25.00	\$25.00	\$25.00	\$25.00
2	\$20.00	\$50.00	\$50.00	\$50.00	\$50.00
3	\$30.00	\$75.00	\$75.00	\$75.00	\$75.00
4	\$40.00	\$125.00	\$100.00	\$100.00	\$125.00
5	\$50.00	\$175.00	\$125.00	\$125.00	\$175.00
6	\$60.00	\$225.0	\$150.00	\$150.00	\$225.00
7	\$70.00	\$275.00	\$175.00	\$175.00	\$275.00
8	\$80.00	\$325.00	\$200.00	\$200.00	\$325.00
9	\$90.00	\$375.00	\$225.00	\$225.00	\$375.00
10	\$100.00	\$425.00	\$250.00	\$250.00	\$425.00
11	\$110.00	\$525.00	\$275.00	\$275.00	\$525.00
12	\$120.00	\$625.00	\$300.00	\$300.00	\$625.00
13	\$130.00	\$725.00	\$325.00	\$325.00	\$725.00
14	\$140.00	\$825.00	\$350.00	\$350.00	\$825.00
15	\$150.00	\$925.00	\$375.00	\$375.00	\$925.00
16	\$160.00	\$1,025.00	\$400.00	\$400.00	\$1,000.00
17	\$170.00	\$1,125.00	\$425.00	\$425.00	
18	\$180.00	\$1,225.0	\$450.00	\$450.00	
19	\$190.00	\$1,325.00	\$475.00	\$475.00	
20	\$200.00	\$1,425.00	\$500.00	\$500.00	
21	\$210.00	\$1,525.00			
22	\$220.00	\$1,625.00			
23	\$230.00	\$1,725.00			
24	\$240.00	\$1,825.00			
25	\$250.00	\$1,925.00			
26	\$260.00	\$2,000.00			
27	\$270.00				
28	\$280.00				
29	\$290.00				
30	\$300.00				

CONTRIBUTIONS AND OTHER RECEIPTS

“Contributions” are funds, goods and services donated to the Political Party Committee that are not clearly designated by the contributor for the committee’s administrative expenses. “Other receipts” include interest, refunds and rebates received by the committee that are deposited in the committee’s official depository. Both “contributions and other receipts” referred to in this Manual are those that are placed into the political account the committee uses to make expenditures in support of or in opposition to candidates, issues and other committees in Michigan state and local elections.

All contributions that are obtained and used to make expenditures in support of or in opposition to candidates or ballot issues in Michigan elections must conform to all requirements of the Michigan Campaign Finance Act.

RECORDING AND REPORTING CONTRIBUTIONS AND OTHER RECEIPTS

All contributions received by the Political Party Committee must be promptly deposited in the committee’s official depository.

- The receipt date is not the date the check or other written instrument was written or the date the contribution was deposited into the committee’s bank account. A contribution is received by a committee on the date that the monetary funds, written instrument, or in-kind contribution of goods from the contributor have come into the physical possession of the committee treasurer, designated record keeper or other person acting as an agent of the committee.
- For purposes of reporting the receipt of an in-kind contribution of services, the in-kind contribution is considered to be received by the committee on the date the committee treasurer, designated record keeper or other person acting as an agent of the committee receives verbal or written notice from the contributor that the contribution has, in fact, been made.

Contributions include donations or loans (except loans from financial institutions in their regular course of business) of money; membership dues; money received from sales of merchandise such as campaign buttons, bumper stickers, tee-shirts, caps, etc.; sale of tickets for various functions and events; dinners, dances, raffles, “pass the hat” collections, garage sales and other types of fund raisers.

If the money, regardless of its source, is placed into the committee’s political account that is used for state or local candidate, ballot question or other committee support or opposition in Michigan, the detail information required by the Michigan Campaign Finance Act must be recorded and reported.

The committee treasurer or designated record keeper must:

- Record and report all contributions from individuals by the amount, date received and the donor's name. If single or cumulative contributions received from the same individual during a calendar year total \$100.01 or more, the committee must also record and report the donor's occupation, employer and principal place of business.
- Record and report all contributions received from other committees by the amount, date received, the committee name, address and treasurer.
- Record and report all contributions received from groups, businesses, firms or any other types of organizations that are not registered as a committee under the Act by amount, date of receipt and the contributing organization's name and address. If an individual gave money toward the organization's contribution, the committee must record and report the amount the individual gave, the date the organization received the individual's contribution, and the individual's name and address as a "memo itemization." If an individual gave \$100.01 or more toward the organization's contribution, the committee must also record and report the individual's occupation, employer and principal place of business.
- Record and report all "other receipts" by the amount, date received, and the name and address of the source. Include a brief description of the "other receipt."

Please refer to the Political Party Campaign Statement Instructions booklet for specific information on how to report contributions and other receipts.

WHEN A WRITTEN INSTRUMENT IS REQUIRED

Contributions of \$20.01 or more must be made by written instrument such as a check or money order. The written instrument must show the name of the person making the contribution, date and amount of the contribution and the name of the committee receiving the contribution. A committee may not accept a contribution of 20.01 or more in cash. For contributions made by credit card, the committee must record and report the same type of information for each contribution.

LOANS

A Political Party Committee may accept loans from individuals, committees and financial institutions. A loan from an individual or a committee is recorded as both a contribution and a loan. A loan made by a financial institution is recorded as an "other receipt." All outstanding debts are tracked by the committee using the Debts and Obligations Schedule.

MEMBERSHIP DUES

Membership dues, fees or subscriptions are direct contributions and should be recorded and reported in the same manner as other contributions.

IN-KIND CONTRIBUTIONS

In-kind contributions are goods, services and facilities provided to the committee at no cost or at a discount. An in-kind contribution may be in the form of a person paying a bill for the committee, providing entertainment for a fundraiser, the free use of a facility, etc.

- The value of the in-kind contribution is the fair market value of the goods or services or the usual rental charge of the facility. If the committee receives a discount unavailable to the general public, the value of the in-kind contribution is the amount discounted.
- A corporation, joint stock company, labor organization domestic dependent sovereign or a person holding a casino interest in one of the three Detroit casinos may not make an in-kind contribution to a Candidate Committee, Political Committee, Independent Committee or Political Party Committee. Any contributions of funds, goods or services must be from the organization's Political or Independent Committee.

CONTRIBUTION EXEMPTIONS

An individual may assist a Political Party in a number of ways without the assistance counting as a contribution to the committee. The following exemptions are designed to encourage volunteer participation in the political process:

- A volunteer's personal service does not count as a contribution as long as the volunteer assists the committee without any understanding or agreement that compensation will be received for the time or services donated. If the committee compensates the volunteer, the compensation must be reported as an expenditure. If a third party (a non-incorporated employer, for example) compensates the volunteer, the committee must report the compensation as an in-kind contribution from the third party. If a volunteer is on earned vacation time when assisting the committee, the vacation pay does not count as a contribution.
- The first \$500.00 spent during the year by a volunteer for personal travel expenses (gas, lodging) while working for the committee do not count as a contribution as long as the costs are voluntarily incurred without any understanding or agreement that the costs will be repaid. Additional travel expenses incurred by the volunteer during the year must be reported as in-kind contributions.
- The first \$100.00 worth of food and beverages donated during the year by an individual does not count as a contribution as long as the costs are voluntarily incurred without any understanding or agreement that the costs will be repaid. Additional donations of food or beverages by the individual during the year must be reported as in-kind contributions.

CONTRIBUTIONS RECEIVED FROM A PARTNERSHIP OR A LIMITED LIABILITY COMPANY

The following requirements for partnerships also apply to limited liability companies and their members.

- A contribution to a Political Party Committee that is made on a partnership check is viewed as a contribution from the partnership as an entity unless the amount is attributed to individual partners. Consequently, if a partnership contributes \$500.00 or more in a calendar year and the amount contributed has not been attributed to individual partners, the partnership is required to register as a Political or Independent Committee under the

Campaign Finance Act. If the contributions have been attributed to individual partners, the amount contributed does not count toward the \$500.00 registration threshold.

- When the members of a partnership or a limited liability company make a contribution to a Political Party Committee, they must provide to the committee a written statement containing the names, addresses, date and amount to be attributed to each partner or member. The statement must include the occupation, employer's name and principal place of business for those individual members whose attributed portion exceeds \$100.00. The committee reports the amount contributed by each partner or member as a separate contribution from that individual; the name of the partnership or limited liability company does not appear on the committee's Campaign Statement as a contributor.
- A partnership or limited liability company is not permitted to attribute a contribution to an incorporated partner or member unless it is clearly and specifically designated by the contributor for the Political Party Committee's administrative account, which cannot be used for candidate support or opposition.

CONTRIBUTIONS TO AN ADMINISTRATIVE ACCOUNT

Any funds received by a Political Party Committee from treasury funds of a corporation, joint stock company, labor organization or domestic dependent sovereign (Indian tribe) or funds that are clearly designated by the contributor for the committee's administrative account must be deposited into a separate account maintained for paying administrative expenses that are totally unrelated to the party's political activity. These funds should not be listed on a Campaign Statement and may not be used for candidate support or opposition. If the funds are not deposited in such an account, they must be returned to the contributor.

ADVISING CONTRIBUTOR OF FILING OBLIGATIONS

Michigan's Campaign Finance Act covers a "group" operating within Michigan or out-of-state who receives or spends \$500.00 or more in a calendar year to influence voters for or against the nomination or election of one or more candidates in Michigan or the qualification, passage or defeat of a ballot question in Michigan. A "group" is any *person* other than an individual. The term *person* is used to mean a business, individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, labor organization, company, corporation, association, committee or any other organization or group of persons acting jointly. As soon as a "group" (other than an individual acting alone) reaches the \$500.00 threshold, it has 10 calendar days to form and register a committee under the Act.

- The treasurer of a Political Party Committee who accepts a contribution of \$500.00 from a group or business is urged to advise the organization of the Campaign Finance Act's filing requirements.
- A group that meets the registration threshold through a single contribution may register a committee under the Act, file a Campaign Statement and dissolve the committee on the same day if no further political activity is anticipated for the year.

PROHIBITED CONTRIBUTIONS

A prohibited contribution must be returned as soon as the committee recognizes that it has received a contribution that cannot be accepted. If a prohibited contribution has been deposited into the committee's account, the committee must make an expenditure from the account to return the prohibited contribution. If the prohibited contribution has not been deposited, the committee must return the actual contribution. If the contribution is returned within 30 business days, it is not considered to be a contribution and is therefore not a violation of the Campaign Finance Act. The Michigan Campaign Finance Act prohibits the following types of contributions:

- Anonymous Contributions: A committee may not accept an anonymous contribution. The committee is required to report the name, date and amount for all contributions, regardless of amount. If a committee does not have the information to report the name and address of the contributor, the date of receipt and the amount of the contribution, the contribution must be donated to a tax-exempt charitable organization. A written receipt should be retained for 5 years in the committee records.
- Cash Contributions: A committee may not accept a cash contribution of more than \$20.00. The committee is required to report the name and address of the contributor, the amount and the date the contribution was received regardless of whether the contribution was received in cash or by written instrument. This requirement includes money received through the sale of political merchandise or at fundraisers or through any other source.
- Earmarking: A committee may not accept a contribution with the agreement or arrangement that the committee will transfer the contribution to a particular Candidate Committee.
- Foreign National: The Federal Election Campaign Act prohibits a foreign national from making any contribution or expenditure (including independent expenditures) in connection with any U.S. elections. It is also unlawful for any person to solicit, accept or receive a contribution from a foreign national.
- Corporations, Joint Stock Companies, Labor Organizations, Domestic Dependent Sovereigns (Indian tribes): A Political Party Committee may not accept a contribution of money into its political account from treasury funds, goods, services, discount or free use of facilities from a corporation, joint stock company, labor organization or domestic dependent sovereign.

Except for loans made in the ordinary course of business, an officer, director, stockholder, attorney, agent, or any other person acting for a labor organization, domestic dependent sovereign, corporation or joint stock company, whether incorporated under the laws of this or any other state or foreign country, shall not make a contribution or expenditure or provide volunteer personal service for a Political Party Committee.

A corporation, joint stock company, labor organization or domestic dependent sovereign may not purchase fund raiser or dinner tickets, donate prizes or awards for fund raisers or other

events, provide discounts unavailable to the general public or pay off or forgive debt for a Political Party Committee.

Prohibitions against corporate contributions apply to all types of corporations: large or small, for-profit or not-for-profit, professional corporations, sub-chapter S corporations, etc. The only exception is for a corporation formed strictly for political purposes only.

- Contribution in the Name of Another: A person shall not make a contribution by any name other than the name by which that person is identified for legal reasons.
- Prohibition of Campaign Contributions from Persons Holding a Casino Interest: Public Act 69 of 1997 amended the Michigan Casino Revenue and Control Act to prohibit persons having a casino interest in one of the three Detroit casinos from making campaign contributions during certain periods of time. The Michigan Gaming Control Board (MGCB) enforces this prohibition. The persons who are prohibited from making contributions are:
 1. a casino licensee or a supplier licensee;
 2. a person who holds at least a 1% interest in a casino licensee, a supplier licensee or a casino enterprise;
 3. a person who is an officer or a managerial employee of the licensee or casino enterprise as defined by rules promulgated by the Casino Gaming Board;
 4. a person who is an officer of the person who holds at least a 1% interest in the licensee or casino enterprise;
 5. the Independent Committee of a licensee or casino enterprise

Prohibited Periods

Casino Licensee - Political contributions may not be made from a date one year prior to applying to the MGCB for a Casino License, and continuing until three years after the license expires. The prohibited period includes all time in between these dates, including the period when the MGCB is still considering a license application.

Supplier Licensee - Political contributions may not be made from the date an application is submitted to the MGCB for a Supplier License, and continuing until three years after the license expires.

Enforcement - A person who makes a prohibited contribution is guilty of a felony, punishable by imprisonment for 10 years and/or a fine of not more than \$100,000.00.

Public Act 71 of 1997 amended the Michigan Campaign Finance Act to provide that a committee shall not knowingly maintain receipt of a contribution from a person prohibited from making a contribution during the prohibited period under Public Act 69.

For purposes of this section of Public Act 71, a committee is only considered to have knowingly maintained receipt of a contribution prohibited under Public Act 69 and is subject to penalty for that violation if both of the following circumstances exist:

- a) The Secretary of State has, by registered mail, notified the committee that the committee has received a contribution in violation of this section and has specifically identified that contribution.
- b) The committee fails to return the contribution identified on or before the thirtieth business day after the date the committee receives the notification.

FUND RAISERS

To ensure that appropriate records are kept at fund raising events, the committee treasurer and designated record keeper (if any) must become familiar with the information required to be recorded and reported *before* any fund raisers are held.

- A committee planning a fundraiser should consult with local governmental units, the Liquor Commission, the Bureau of State Lottery and other relevant agencies for necessary licenses and permits prior to the event.
- All contributions, no matter how small, must be itemized on the Campaign Statement that covers the period during which the fundraiser was held. The treasurer must record and report names, addresses, dates and amounts for each contribution and, if the contribution exceeds \$100.00 (or causes the contributor's cumulative contributions for the calendar year to exceed \$100.00) the occupation of the contributor, the employer name and the principal place of business of the contributor.

Joint Fund Raisers

A Political Party Committee that holds a joint fundraiser with another committee must adhere to the following procedures to avoid violations of the Michigan Campaign Finance Act.

Written Agreement

The committees that plan to participate in a join fundraiser must develop a written agreement. The treasurer of each committee must keep a copy of the agreement with the committee's records. Participating committees are *not* required to file the agreement with the filing official.

The written agreement must describe what each sponsoring committee's contribution and expenditure share will be. Contribution and expenditure shares must be expressed as percentages. A Political Party Committee's expenditure share does not have to equal the committee's contribution share. A Political Party Committee may pay more than its proportionate share of expenses when sponsoring a joint fundraiser with a Candidate Committee as long as the difference does not exceed the committee's contribution limit for that candidate.

The written agreement must provide detail of how expenditures will be handled. Expenditures can be handled in one of two ways:

- (1) each committee agrees to pay its expenditure share at the time each expenditure is made.
- (2) one committee agrees to make all of the expenditures and the other committee(s) agree to provide the necessary reimbursement. The reimbursements must be made in a reasonable period of time and must correspond to the agreed upon expenditure split.

The written agreement must provide detail of how contributions and other receipts will be handled. The committees must agree to open a joint bank account in a bank, credit union or savings and loan association for the deposit of all contributions and other receipts related to the fundraiser. This account is a secondary depository and each committee must file an amended Statement of Organization to report the location of the account. The amendment must be filed no later than the due date of the next Campaign Statement required of the participating committees after establishment of the account.

Funds deposited in the secondary depository are then transferred, without delay, into each committee's official depository in accordance with the agreed upon proportion. No other expenditures can be made from the secondary depository.

Each contributor to a joint fundraiser is making a contribution to each of the fundraiser sponsors in the ratio publicized for the event. A contributor may not choose to allocate his or her contribution differently.

Advertising the Event

Advertisements and invitations for a joint fund raising event must include the following information:

- An explanation that the event to be held is a joint fundraiser.
- The names of the participating committees, the names and offices sought of the participating candidates.
- The contribution share for each participating committee. If any of the participating committees are subject to contribution limitations, the contributors should be reminded to use the contribution share information to determine whether they are exceeding the applicable contribution limitation.
- An identification statement stating, "Paid for by" with the names and addresses of each of the sponsoring committees.
- Specific instructions on how checks should be made out to the fund raising event.

Record Keeping and Reporting Requirements

The treasurers or designated record keepers of the sponsoring committees must carefully record the contributions and other receipts received and expenditures made in connection with the fund raiser. Participating committees that are required to file Campaign Statements must accurately report the recorded information. Committees that maintain a Reporting Waiver are not required to report the recorded information unless they receive or spend more than \$1,000.00.

- Each participating committee records the name and address of each contributor, the date of the contribution, and the amount the committee received from the contribution.
- A Political Party Committee is not required to complete a Fund Raiser Schedule to document a fund raising event, but must report all of the monetary contributions received by the committee from the event on Schedule 3A, Itemized Contributions. A participating Political Party Committee reports the name of each contributor, the date and only the amount of the contribution received by their committee. If the amount received by their committee exceeds \$100.00 from an individual contributor, the committee must also report the contributor's occupation, employer and principal place of business.
- If one of the participating committees has been designated to make all of the expenditures related to the fund raiser, the designated committee must itemize all expenditures that exceed \$50.00. When reporting these expenditures, the committee must specify, in the purpose column on the itemized Expenditures Schedule (3B), that the expenditures were related to a joint fund raiser. Memo itemizations are used to report the detail information regarding where purchases were made.
- If the Political Party Committee is owed reimbursement by other participating committees, it should be reported on Schedule 3E, Debts and Obligations, as a debt owed to the Political Party Committee for joint fund raiser expense by each of the other committees.
- When reporting receipt of reimbursement for fund raising costs by other participating committees, a Political Party Committee should report the reimbursements as "Other Receipts" on Schedule 3A-1, describing them as "joint fund raiser reimbursements" and on Schedule 3E, Debts and Obligations, as repayment of the debt.
- The committees that provide reimbursement for the expenditures must report the purpose of the expenditure as reimbursement for joint fund raiser expenses. If the amount a committee must reimburse for any given expenditure exceeds \$50.00, the committee must use Memo Itemizations to provide the name and address of the person or business originally paid by the committee being reimbursed.

Refer to the Campaign Statements Instructions booklet for specific instructions on reporting various types of transactions.

Additional Notes on Fund Raisers

Corporations, labor organizations and domestic dependent sovereigns may not contribute to a Political Party Committee's fund raiser from treasury funds unless the fund raiser is strictly for the political party's administrative account that is not used for candidate support or opposition. Contributions must be from their separate segregated funds that are registered as Independent or Political Committees.

Fund Raisers Held for the Administrative Account

A Political Party Committee cannot merely pull contributions received from a corporation, labor organization, or domestic dependent sovereign out of the receipts for a fund raiser (dinner tickets, newsletter ads, program books, etc.) and put them into a separate account. However, a Political Party Committee may sponsor a fund raiser specifically to raise money for the committee's administrative non-campaign account. All contributions raised at such an event, including contributions received from a corporation, labor organization, or domestic dependent sovereign must be deposited into the administrative account with no transfers from that account to the account used for candidate support or opposition. None of the fundraiser's receipts or expenses would be reported on the Political Party Committee's campaign statements.

A fundraiser may not be split between campaign and non-campaign purposes. A Political Party Committee's method of fund raising may not commingle corporate and non-corporate funds and be utilized in candidate elections.

EXPENDITURES

“Expenditures” are anything of monetary value spent by the committee to influence the nomination or election of a candidate or the qualification, passage or defeat of a ballot question.

Funds spent by a Political Party Committee to pay for administrative non-campaign expenses are not considered “expenditures” under the Michigan Campaign Finance Act.

RECORDING EXPENDITURES

The committee treasurer or an agent designated by the treasurer must authorize all expenditures, substantiating each by a receipt or canceled check with the specific purpose of the expenditure written on it or attached to it. The committee must retain the records for 5 years after the filing date of the Campaign Statement on which the expenditure is reported. Persons authorized to make committee expenditures do not have to be listed on the committee’s Statement of Organization. The committee’s treasurer or designated record keeper must:

- Record all expenditures by the amount, date made, purpose and the recipient’s name and address.
- Record all expenditures made to, on behalf of, or in opposition to, a Candidate Committee by the amount, date made, purpose and the Candidate Committee’s name and address. Record the candidate’s name, county of residence, elective office sought and the district or community served by the office.
- Record all expenditures made to support or oppose the qualification, passage or defeat of a ballot question by the name and address of the committee or person to whom the expenditure is made, the amount, date, purpose and a description of the ballot question. Record whether the ballot question is a statewide, multi-county or single-county issue. If the issue is to be voted on in a single county, record the name of the county; if the issue is to be voted on more than one county, record the name of the county with the greatest number of voters eligible to vote on the issue. (This information can be obtained from the County Clerk of the county where the vote is taking place.)

Please refer to the Political Party Committee Campaign Statement Instructions booklet for specific information on how to report expenditures.

WHEN A WRITTEN INSTRUMENT IS REQUIRED

An expenditure of \$50.01 or more must be made by written instrument such as a check or money order that must show the Political Party Committee’s name, the name of the recipient, the date and amount. A committee may not make expenditures of more than \$50.00 in cash.

PETTY CASH

The committee treasurer may set up a petty cash fund with money drawn from the committee's official depository. The committee must retain records of all expenditures from the petty cash fund, showing the amount, date, and purpose, for 5 years. The maximum single expenditure that can be made from the petty cash fund is \$50.00.

IN-KIND EXPENDITURES

In-kind expenditures are goods, services and facilities provided to another committee at no cost or at a discount. The value of an in-kind expenditure is the actual amount paid by the Political Party Committee for the goods, services or facilities if the committee pays a bill, pays for services or makes a purchase on behalf of another committee. If the committee provides services or the use of facilities or goods already owned by the Political Party Committee, the value to be reported is the fair market value or the usual rental charge of the goods, services or facilities. If the committee provides goods, services or facilities to another committee at a discount, the value of the in-kind expenditure is the amount discounted.

INDEPENDENT EXPENDITURES

Independent expenditures are expenditures made on behalf of a candidate or a ballot question without direction or control of the Candidate Committee or a committee supporting or opposing the ballot question. Independent expenditures are **never** made under the control or direction of another person or committee and are not contributions to a committee. Independent expenditures can be made in any amount and do not count toward the contribution limit for the candidate.

LIMITATIONS ON EXPENDITURES TO CANDIDATES

The Campaign Finance Act places limits on the amount a Political Party Committee can give to, or expend on behalf of, a Michigan candidate. The following types of expenditures count toward the limit:

- Expenditures of cash of \$50.00 or less;
- Expenditures by written instrument such as a check or money order;
- In-kind expenditures of goods and services; and
- Loans made to the Candidate Committee

Normally referred to as "contribution limits", the limits refer to the maximum amount that a Political Party Committee can expend in direct contributions or loans of money and in-kind contributions of goods or services to a Candidate Committee during that candidate's "election cycle". Independent expenditures do not count toward the contribution limit.

- An "election cycle" begins on the day **following** a general election in which the office involved appears on the ballot and ends on the day **of** the next general election in which the office appears on the ballot.

- For a special election, the “election cycle” begins on the day the special election is scheduled or the day the office involved becomes vacant (whichever is earlier) and ends on the day **of** the special election.
- The election cycle of a new candidate begins on the formation date of the Candidate Committee and ends on the day **of** the general election for which the candidate’s name appears on the ballot.

The following chart lists the maximum amounts a Political Party Committee may give to a Candidate Committee during the candidate’s election cycle.

Expenditure Limits for a County Political Party Committee or a Congressional District Political Party Committee (Also Referred to as “Contribution Limits”)

Governor (Not receiving public funds)	\$34,000
Governor (Receiving public funds)	\$30,000
Lt. Governor	\$34,000
Local candidate or judicial candidate in district or jurisdiction with population over 250,000	\$34,000
State Senator	\$10,000
Local candidate or judicial candidate in district or jurisdiction with population of 85,001 to 250,000	\$10,000
State Representative	\$ 5,000
Local candidate or judicial candidate in district or jurisdiction with population up to 85,000	\$ 5,000
Any Other State elective office (Includes Secretary of State, Attorney General, Supreme Court Justice, State Board of Education, University of Michigan Regent, Michigan State University Trustee and Wayne State University Governor.)	\$34,000

Expenditure Limits for a State Central Political Party Committee (Also Referred to as “Contribution Limits”)

Governor (Not receiving public funds)	\$68,000
Governor (Receiving public funds)	\$750,000
Lt. Governor	\$68,000

Local candidate or judicial candidate in district or jurisdiction with population over 250,000	\$34,000
State Senator	\$10,000
Local candidate or judicial candidate in district or jurisdiction with population of 85,001 to 250,000	\$10,000
State Representative	\$ 5,000
Local candidate or judicial candidate in district or jurisdiction with population up to 85,000	\$ 5,000
Any Other State elective office	\$68,000

(Includes Secretary of State, Attorney General, Supreme Court Justice, State Board of Education, University of Michigan Regent, Michigan State University Trustee and Wayne State University Governor.)

LOANS BY POLITICAL PARTY COMMITTEES

A loan accepted by a Candidate Committee from a Political Party Committee counts against the Political Party Committee's contribution limit to that candidate. A bank loan received by a Candidate Committee and endorsed or guaranteed by a Political Party Committee counts against the Political Party Committee's contribution limit to that Candidate Committee to the extent the party is liable for the loan. As the loan is repaid, the amount repaid is no longer counted against the contribution limit.

EARMARKING

An amount expended to a Candidate Committee by a Political Party Committee does not count against the contribution limit applicable to any person who may have given those funds to the Political Party Committee, unless the person directs or controls the ultimate use of those funds. A person is not permitted to give a contribution to a Political Party Committee with the understanding or agreement that the contribution will be passed on to a particular candidate. This practice is called "earmarking" and is strictly prohibited.

DESIGNATION TO A PREVIOUS ELECTION CYCLE

A contribution received by a Candidate Committee is considered to be for the current election cycle unless specifically designated for a previous election cycle. A Political Party Committee can designate a contribution to a previous election cycle if:

1. The designation is made in writing;

2. The Political Party Committee did not reach the applicable contribution limit set for the Candidate Committee in the election cycle identified in the designation; and
3. The designated contribution does not exceed the Candidate Committee's outstanding debts from the election cycle identified in the designation.

DELIVERY OF A CONTRIBUTION TO ANOTHER COMMITTEE BY A THIRD PARTY

An individual who obtains possession of a contribution that a committee registered under the Act wishes to give to another committee registered under the Act has ten business days to take one of the following actions:

1. Deliver the contribution to the appropriate committee treasurer;
2. Deliver the contribution to any agent of the appropriate committee; or
3. Return the contribution to the payer.

The ten-day time limit for these actions does not apply if the individual in possession of the contribution is the treasurer or designated record keeper of the contributing committee.

USE OF INDEPENDENT CONTRACTORS

When a Political Party Committee makes an expenditure to an agent or independent contractor, the contractor must provide the committee with detail information if the contractor pays a third party \$50.01 or more to provide goods or services on behalf of the committee. These goods or services would be in-kind or independent expenditures in support or in opposition to the nomination or election of a candidate or in support of or in opposition to the qualification, passage or defeat of a ballot question.

Expenditure listings supplied to a committee by an agent or independent contractor must list the name and address of each individual or business that the contractor paid more than \$50.00 during the reporting period, the purpose, the date paid and the amount of the expenditure. The Political Party Committee must include this information on its next Campaign Statement that covers the period during which the expenditures were made.

Please refer to the Political Party Committee Campaign Statement Instructions booklet for specific information on how to report expenditures made to independent contractors.

<p style="text-align: center;">DISSOLUTION OF A POLITICAL PARTY COMMITTEE</p>
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The Act specifies under what conditions a Political Party Committee may be dissolved. A dissolved committee has no further filing obligations under the Act, as the dissolution of the committee is the final compliance step.

To be eligible for dissolution, a committee must have no assets or outstanding debts. An unpaid late filing fee is considered to be a committee debt. A committee that chooses to donate any of its remaining assets to a tax-exempt charity must provide verification of the disposition of the funds to their filing official. This verification can be in the form of a receipt or letter of acknowledgement on the charity's letterhead.

If a committee has maintained a Reporting Waiver, it may be dissolved by filing a single-page Dissolution Campaign Statement form that is available from any filing official.

A committee that has not maintained a Reporting Waiver must file a final Dissolution Campaign Statement with supporting contribution and expenditure Schedules. A detailed Dissolution Campaign Statement may be combined with any other Campaign Statement required of the committee as long as the committee dissolves on or before the closing date of the Campaign Statement. A Dissolution Campaign Statement must open on the day after the closing date of the last Campaign Statement filed by the committee and close on the effective date of the dissolution.